



COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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MARK J. SALADINO

TREASURER AND TAX COLLECTOR

February 8, 2005

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: Mark J. Saladino
Treasurer and Tax Collector

SUBJECT: **LOS ANGELES COUNTY SECURITIZATION CORPORATION
\$319,827,107 TOBACCO SETTLEMENT ASSET-BACKED BONDS**

This memorandum is to advise you that on February 8, 2006, my office successfully completed the sale of \$319,827,107 in tax-exempt Tobacco Settlement Asset-Backed Bonds (the Tobacco Bonds). The Tobacco Bonds were authorized by your Board on January 24, 2006 in order to finance construction costs at the LAC+USC Medical Center Replacement Facility. The sale of the Tobacco Bonds will not only provide the Department of Health Services with a fully-modernized and comprehensive health center, but will also serve to protect the County against potential declines in future tobacco settlement revenues (TSRs).

Pursuant to the County's policy for the issuance of bonds, and given the technical complexities of issuing tobacco securitization debt, the Tobacco Bonds were sold through a negotiated process to the senior managing underwriter, Citigroup Global Markets Inc. Despite the many difficulties associated with issuing asset-backed bonds secured solely by future TSRs, we were able to sell the Tobacco Bonds at a true interest cost of 5.77%.

I have attached to this memorandum a copy of the final Offering Circular for this financing. If you have any questions regarding the transaction, please contact me directly or have your staff contact Glenn Byers of my office at 974-7175.

MJS:GB:DB
pb/db/bospricmemtobbnds

Attachment

c: (without attachment)
Executive Officer, Board of Supervisors
Chief Administrative Officer
Auditor-Controller
County Counsel